THREE PILLARS OF DEMOCRACY

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MINISTRY OF COMMUNITY DEVELOPMENT AND
COOPERATION
GOVERNMENT OF INDIA,

NEW DELHI

These papers were presented at three symposia organised under the auspices of the University of Michigan, U.S.A. in October, 1963 at Ann Arbor. Representatives from the appropriate faculties of the Michigan University and also from other Universities, apart from prominent members from public life participated in these symposia. In response to a special invitation from the University of Michigan, Shri S. K. Dey, the Union Minister of Community Development and Cooperation presented these papers for discussion in the symposia.

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POLITICAL DEMOCRACY

Introduction

India, the seventh largest and the second most populous country in the world covers an area of 1.25 million sq. miles and a population of 438 millions. 82 per cent of the population lives in her 5,58,088 villages. The traditional system in India in pre-modern times, was not very different from other medieval communities in many parts of the world. The population was made up of two extremely unequal divisions—a small minority of feudal landlords and the rest. The former wielded all power, controlled all the wealth and made all the decisions in conjunction with an authoritarian ruler. In a society based on agriculture and handicrafts some kind of caste system was inherent. This system rested on the joint family, the caste council and the village council. The village council, called the Panchayat, is as old as Indian history and is a part of Indian tradition. The ancient Panchayats discharged all pervading functions affecting the life of the village community, but they worked in relative isolation from the impact of social and political changes outside.

The transition to modern economy, technological change and industrialisation in the 18th century coincided with the era of colonial domination in India. While the West grew with balance between the growth of technology and social services for the people, in India the birth rate went up with no economic or social growth. The stimulus given by the West was only a trading stimulus. India's struggle for independence was thus at once a mighty effort to end colonial rule, modernise her economy and usher in a democratic form of Government. The British left in 1947, but the old order they helped to preserve from the past was left virtually in tact.

The Constitution

2. It was against this historical perspective that after independence, through a duly constituted Constituent Assembly, India

gave unto herself in 1950 a Constitution under which the country became a sovereign democratic Republic. The Constitution enumerates certain Fundamental Rights such as right to equality, freedom of speech, freedom of religion, right to property etc., which are justiciable and can be enforced through courts of law (*vide* Appendix I). It also lays down the Directive Principles of State policy (*vide* Appendix II) which, while not enforceable by courts of law, are fundamental in the governance of the country.

India is a federation of 16 States; in addition there are 9 Union Territories and a few centrally administered areas. At the head of the federal Government is the President, acting on the advice of a Council of Ministers responsible to Parliament. The Parliament is bi-cameral consisting of the Council of States (Rajya Sabha) and the House of the People (Lok Sabha). The Council of States consists of 237 indirectly elected and nominated representatives, a third of whom retire by rotation every two years. The House of the People, consists of 503 members directly elected on the basis of universal adult franchise and 7 nominated members to represent Anglo-Indians and certain special areas. In every State there is a Governor appointed by the President. He acts on the advice of his Council of Ministers, responsible to the State Legislature. In 10 States, the Legislature is bicameral. While the Upper House is indirectly elected through special electoral colleges, the Lower House is elected on the basis of adult franchise.

The Constitution also clearly demarcates the functions for which the Central Government is exclusively responsible, those for which the State Governments are exclusively responsible and those for which the Central and State Governments are concurrently responsible. The residuary subjects are the responsibility of the Central Government. "Local Government" is a State subject.

The Constitution of India, one of the longest written Constitutions in the world, has drawn freedly upon the experience gained in the working of democracy all over the world, but it is also unique in many respects.

Panchayati Raj (Democratic Decentralisation)

3. With the advent of the British, the Panchayats could not thrive as effective units of local Government. They became moribund and got relegated into a subservient place in the colonial administrative set up. By the early years of the 20th Century it was realised that the Panchayat must be revitalised by assigning to it specific functions and allocating the necessary resources. The urge found a place in the Directive Principles of the Constitution. Article 40 lays down that "The State shall take steps to organise village Panchayats and to endow them with such powers and authority as may be necessary to enable them to function as units of self-Government." The first attempt to give a definite shape to this concept was through the Community Development programme—a new approach to the problems of rural India. This programme, started in 1952, was designed to transform the social and economic life of the village through the active participation and initiative of the village community. But it was soon found that the existing caste and power groups maintained their stranglehold and retarded the process of transformation; people's participation remained static. In 1957 a Study Team appointed by the Government of India, recommended the creation of an inter-connected system of democratic local-Government institutions at the village, block and district levels. The Team also recommended that there should be a genuine transfer of power and responsibilities to these institutions; that adequate resources should be transferred to them; that all developmental programmes at these levels should be channelled through them; and that the system evolved should be such as would facilitate progressive devolution and dispersal of power and responsibility in the future.

This system of democratic decentralisation, known as Panchayati Raj, was first introduced in Rajasthan in 1959. It is now in force in 11 States and is being extended in the remaining States. Because of the wide diversity in the conditions that prevail in the country, there are considerable variations in detail from one State to another; but a broad pattern, described below, runs through the core.

The village Panchayat is a statutory body covering one or more villages with an average population of 1500 and an area

of about 6 sq. miles. The Panchayat members, usually about 12, are elected by the adult population of the village generally through secret ballot. Heading the Panchayat is the Chairman who is either elected by the members of the Panchayat or directly by the voters in the Panchayat area.

The next tier is at the block level (Panchayat Samiti) which on an average covers an area of 250 sq. miles and 80,000 population. The Panchayat Samiti generally consists of all the Panchayat Presidents in the block and such others to whom special representation may be given *e.g.*, backward classes, women, cooperative societies, local members of State Legislature, etc. In some States, the Samiti members are directly elected. The President of the Samiti is elected by the Samiti members from amongst themselves.

The highest tier in this inter-connected pattern of democracy is at the district level (Zila Parishad). It consists of the Presidents of all the Samitis in the district, the Government representative in the district (generally called Collector or Deputy Commissioner), local Members of the State Legislature and Parliament and a few persons representing special interests and experience. In one State the Parishad members are directly elected on adult franchise. The President of the Zila Parishad is elected by the members from amongst themselves though in two States, the District Collector is the *ex-officio* President (*vide* Appendix III).

Panchayati Raj institutions are thus growing up throughout the country as units of local government, springing from old roots but with new vitality and purpose signifying changes both in the structure of administration and in the pattern of rural development. They are intended to strengthen the base of democracy in India, to place the Community Development movement firmly in the hands of the people's representatives at different levels and to help each area to achieve intensive and continuous development in the interests of the entire community. A pre-requisite is continuous self-evaluation to measure the success of Panchayati Raj in relation to its primary objectives. To facilitate this a Ten Point Test (*vide* Appendix IV) has been evolved by which the performance of every tier in the Panchayati Raj system can be judged.

Problems and Prospects

4. Panchayati Raj and the democratisation of administration down the line has thrown up several problems of general concern.

(i) *Gram Sabha.*—The Indian system visualises not only an executive body *viz.* the Panchayat at the village level but also the "Gram Sabha", consisting of the entire adult population of the Panchayat area. As embodying the social sanction of the people and as involving the direct participation of the entire general body of the electorate in decision-making, it will act as a deterrent to arbitrariness of action on the part of the executive. There is thus an attempt at having a representative system of Government in the form of the Panchayat, working side by side with direct and participating democracy as represented by the Gram Sabha. Can the two systems co-exist, one nourishing the other? Or, is the representative system based on political parties likely to prove all pervading?

(ii) *From Lok Sabha to Gram Sabha.*—The establishment of representative institutions of the people at the village, block and district levels fills the vacuum below the level of the State Legislature in the democratic set up of the country. While from the village to the district level there is a pattern of inter-connected democratic institutions, above the level are the directly elected State Legislatures and Parliament. The Members of Parliament and the Legislatures are usually associated with the District and/or Block Council. Panchayati Raj thus links the Parliament at the national level with the Panchayat at the village level. The link can be made more effective by extending the principle of indirect election from the district to the State and from the State to the Centre. The problem, though technically one of the method of elections to be followed at higher levels, raises larger issues relevant to a parliamentary democracy.

(iii) *Direct versus Indirect Elections.*—Indirect elections have the advantage of linking the lower tier institution directly and organically with the higher tier body but could give rise to monopoly of power by small groups. On the other hand, under direct elections maximum discussion is possible through the interplay of political parties; this ensures that the institutions are really representative and democratic. But in a federal system, direct

elections may retard the growth of an effective link between successive tiers. What is the balance of advantage ?

(iv) *Combination of civic and development functions.*—The Panchayati Raj institutions combine in themselves both civic and municipal and planning and development functions. Local government institutions, according to past experience, have a tendency to confine themselves to civil and municipal functions. Entrustment to local government institutions of development functions on a countrywide scale is a unique experiment. In the system being developed in India, the institutions at each level are linked up with institutions above, thereby preventing the growth of islands of authority without affecting their autonomy in day to day functioning.

(v) *Planning in Democracy.*—India's development efforts are based on Five Year Plans prepared through a centralised process. Central planning implies that the plans of the local bodies at the various levels should reflect national priorities and policies. Whilst doing so, local plans must reflect the local aspirations of the local people to make planning meaningful to them. In local planning, however, there is a danger of emphasis being placed on providing amenities in preference to production programmes essential from the long range point of view. Can these two processes of national and local planning be harmonised ? Development from below within the framework of a national plan may, to start with, slow down progress as indeed democratic planning at any level does. Is this price too heavy to pay ? Is not the development of the people's competence and their institutions a better investment in the long run ?

(vi) *Panchayati Raj and Political Parties.*—Vested as they are with local administration and development functions, the Panchayati Raj bodies have become centres of power and authority. The political parties have, therefore taken an active interest in the elections to these institutions as a base for their build up at the State and Central level. This would seem to be inherent in the very processes of representative democracy.

An under-developed community is in a seeming but unnatural equilibrium based on deeply entrenched vested and caste interests. In the absence of political awakening the entry of political parties

into such a community would tend to aggravate the inherent factions. Therefore there is a view that political parties should, as a matter of policy keep away from elections to the Panchayati Raj institutions. The work of these bodies is essentially of a local administration and development character, based on the participation of all the sections of the community. It is contended that there is little scope for political activity at these levels.

The issues arise—is it desirable that political parties should keep away from elections to the Panchayati Raj institutions? How is political education which constitutes the foundation for democracy, to be secured without the interplay of political forces?

(vii) *Training and Education.*—The elected representatives in the Panchayati Raj institutions number about 2.5 millions. There is need to train and educate them in the processes of democracy and enable them to comprehend their rights and responsibilities. For this purpose, a large scale training programme has been launched involving institutional and peripatetic training, study tours etc. The Presidents and Vice-Presidents of Panchayats and the members of the Panchayat Samitis are trained in the district level institutions, run by non-official organisations. The Panchayat members are trained in short duration camps run by peripatetic teams of instructors sent from the district level institutions.

The office-bearers of Panchayat Samitis and the members and office-bearers of Zila Parishad who have to work in close collaboration with the permanent civil servants are given institutional training along with the officials. Besides job and orientation training, officials and non-officials get an opportunity to come into contact with one another and have a better understanding of their complementary roles.

While the training programme is essential, there is no more effective way of training the people than through participation in the actual working of Panchayati Raj institutions. Democracy itself is a vast training and educational programme in action. Is there a speedier way of mass education in democracy?

(viii) *Associate and Voluntary Organisations.*—The democratic structure such as India is trying to build envisages still

wider involvement of the people in programmes of social and economic development. This is possible only through organised voluntary effort. Organisations of women, youth, children, artisans, farmers, etc., known as "Associate Organisations", are encouraged to take up programmes on behalf of the Panchayati Raj institutions. By acting as the action arm of the Panchayat, they can assist in the increasing transfer of initiative from statutory to voluntary institutions. How vital this process can be was shown by the response of rural India to the Chinese aggression. The formation of a Village Volunteer Force in every Panchayat, built around youth and women's clubs was the immediate answer.

Voluntary organisations of All India character or with State-wide remifications also work in collaboration with Panchayati Raj bodies on mutually agreed programmes. These organisations are given representation on functional committees of the Panchayati Raj bodies. The political and social climate created by Panchayati Raj should be conducive to the growth and expansion of voluntary effort in various fields.

These organised voluntary and associate institutions should help reduce authoritarian trends in statutory bodies and broadbase the operation of the democratic processes.

(ix) *Emerging patterns of leadership.*—Panchayati Raj has opened up new avenues for institutional working at the village, block and district levels. Through these, a large number of non-official functionaries participate in the democratic processes and are involved in decision making. The extension of democracy to the lower levels might lead, to start with, as history has proved, to a deeper entrenchment of the traditional leadership based on caste and power groups. However, with the spread of education, experience in the working of democracy, the holding of periodical elections and the testing of promises against achievements, political consciousness and the level of aspiration of the people have tended to rise. With each election the representatives thrown up are of better calibre. Representatives from the backward sections and from younger age groups of the community are coming forward to shoulder new responsibilities. The emerging pattern holds promise for the growth of a new progressive leadership with a sense of social responsibility.

(x) *Outlook for the Future.*—India wants to be an open society, giving an opportunity to 438 million people to "govern themselves". Through democracy she wants to achieve development and modernise its economy. How a poor country can in practice industrialise itself through the democratic method as rapidly as a totalitarian state, is an issue of world-wide concern.

APPENDIX I

Constitution of India—a brief note on the Fundamental Rights

Part III of India's Constitution enumerates the Fundamental Rights under 7 broad categories :—

1. The right to equality which includes equality before the law, prohibition of discrimination on grounds of religion, race, caste, sex or place of birth and equality of opportunity in matters of public employment. Untouchability has been abolished and the Parliament has also enacted a law making the practice of untouchability a punishable offence. (Articles 14 to 18).

2. Freedom of speech and expression, assembly, association or union, movement, residence, acquisition, holding and disposal of property and the right to practise any profession or to carry on any occupation, trade or business. The State, however, is empowered to prescribe reasonable restrictions on the exercise of these rights in the interest of the security of the State, friendly relations with foreign States, public order, decency or morality or in relation to contempt of court, defamation or incitement to an offence or in the interest of the general public or for the protection of the interests of any Scheduled Tribe. (Article 19).

3. Basic principles of common law, *viz.* (i) no person shall be executed and punished for the same offence more than once, (ii) no person accused of any offence shall be compelled to be a witness against himself, and (iii) no person shall be deprived of his life or personal liberty except according to procedure established by law, are also included in the Fundamental Rights. (Articles 20 and 21).

4. The right against exploitation prohibits all forms of forced labour, child labour and traffic in human beings. (Articles 23 and 24).

5. Freedom of conscience and free profession, practice and propagation of religion for all and the right of minorities to

conserve their own culture, language and script and to receive education and establish and administer educational institutions of their choice are guaranteed by the Constitution. (Articles 25 to 30).

6. The right to property ensures that no person shall be deprived of his property save by authority of law. (Article 31).

7. These fundamental rights are justiciable and any citizen can move the Supreme Court for their enforcement. (Article 32).

APPENDIX II

Constitution of India—a brief note on the Directive Principles of State Policy

The Directive Principles of State Policy, contained in Part IV of the Indian Constitution, though not enforceable through courts of law, are regarded as fundamental in the governance of the country.

2. These lay down that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which social, economic and political justice shall inform all the institutions of the national life. These principles further require the State to direct its policy in such a manner as to secure the right of all men and women to an adequate means of livelihood, equal pay for equal work and, within the limits of its economic capacity and development, to make effective provision for securing the right to work, education and public assistance in the event of unemployment, old age, sickness and disablement or other cases of undeserved want. The State is also required to secure the workers humane conditions of work, a decent standard of living, full enjoyment of leisure and social and cultural opportunities.

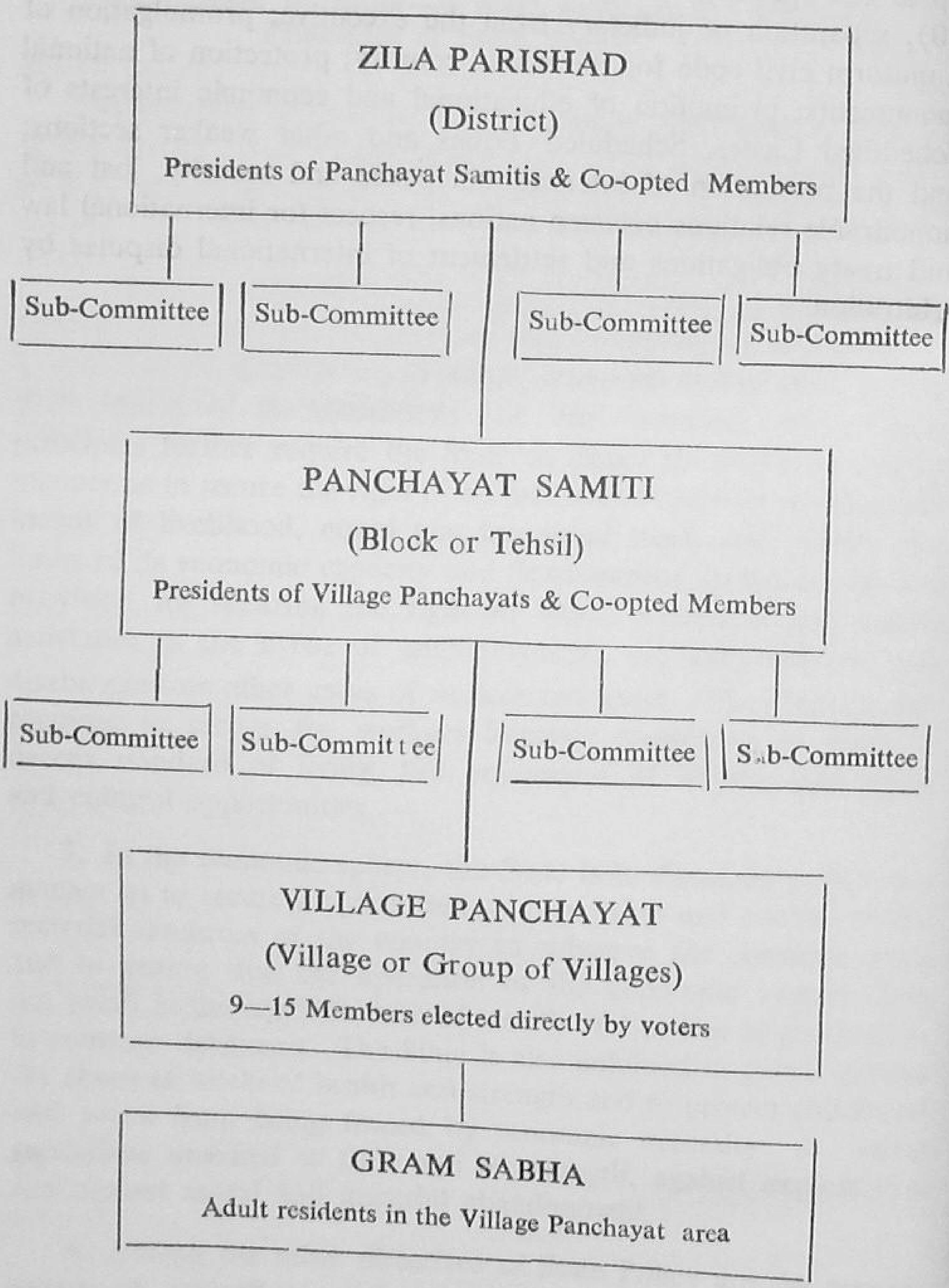
3. In the economic sphere, the State is to direct its policy in a manner as to secure the distribution, ownership and control of the material resources of the country to subserve the common good and to ensure that the operation of the economic system does not result in the concentration of wealth and means of production to common detriment. The State is also enjoined to guard against the abuse of workers' health and strength and to protect childhood and youth from being forced by economic necessity to enter avocations unsuited to their age or strength, against exploitation and against moral and material abandonment.

4. Among the other directives of State Policy are the organisation of agriculture and animal husbandry on modern and scientific lines; promotion of cottage industries in rural areas;

raising the level of nutrition and improvement in the standards of living and public health; prohibition of intoxicating drinks and drugs; provision for free and compulsory education for all children up to the age of 14; organisation of village Panchayats (Article 40), separation of judiciary from the executive; promulgation of a uniform civil code for the whole country; protection of national monuments; promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections; and the promotion of international peace and security, just and honourable relations between nations, respect for international law and treaty obligations and settlement of international disputes by arbitration.

APPENDIX III

Panchayati Raj System



APPENDIX IV

The Ten Point Test

(1) Production in agriculture as the highest priority during the Third Plan.

(2) Promotion of rural industries.

(3) Development of cooperative institutions.

(4) Development of local resources including maximum utilisation of manpower.

(5) Optimum utilisation of resources available to Panchayati Raj institutions such as money, staff, technical assistance and other facilities from higher levels.

(6) Assistance to the economically Weaker Sections of the community.

(7) Progressive dispersal of authority and initiative, both vertically and horizontally, with special emphasis on the role of voluntary organisations.

(8) Understanding and harmony between the people's representatives and the people's servants through comprehensive training and education and a clear demarcation of duties and responsibilities.

(9) Progressive increase of competence both in officials and non-officials.

(10) Cohesion and cooperative self-help in the community.

ECONOMIC DEMOCRACY

Directive Principles of State Policy

The objectives that should govern the economic policy of the State are setforth as "the directive principles of State Policy" in the Constitution. The relevant Directive Principles are—

> "The State shall, in particular, direct its policy towards securing—
>
> (a) that the citizens, men and women equally, have the right to an adequate means of livelihood;
>
> (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;
>
> (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment."

Socialist Pattern of Society

2. The general principles embodied in the Constitution were given concrete expression when Parliament adopted in 1954 "the Socialist Pattern of Society" as the objective of social and economic policy. The socialist pattern implies that the "basic criterion for determining lines of advance must not be private profit, but social gain; and the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increases in national income and employment but also in greater equality in incomes and wealth". This concept embodies the values of socialism and democracy and the approach of planned development.

Planned Development

3. A country with a slender industrial base and scarce resources could not afford the waste inherent in a *laisez faire* economy. Raising of living standards and enlargement of opportunities for the mass of the people could only be secured through

planned development. The object of India's five year plans has been to build up by democratic means a rapidly expanding and technologically progressive economy and a social order based on justice, offering equal opportunities to every citizen. The goal can succinctly be described as the building up of an economic democracy as an essential bulwark of political democracy. Economic democracy is co-extensive in meaning and content with a socialist pattern of society.

A Mixed Economy

4. In planning for a socialist pattern of society Indian planners have adopted a pragmatic rather than a doctrinaire approach. The role of the public sector in industrial enterprises was defined with some precision in the Industrial Policy Resolution of 1956 (extracts from the resolution are reproduced at Annexure 'A'). The aim was to build up a mixed economy, in which the public sector, the private sector and the cooperative sector would each play its assigned role. Even under colonial rule certain undertakings in India like Railways and Post and Telegraphs were managed as public sector enterprises. In the new context of planned development it was inevitable that all industries of basic and strategic importance should be in the public sector. The industries which were essential and required investment on a scale which the State alone could provide, had also to be in the public sector. At the same time, the private sector was also left with a very large area in which it could develop and expand. The private sector under a planned economy had necessarily to be informed by a sense of social purpose and was required to act with an understanding of its obligation towards the community as a whole. An unregulated expansion of the private sector was likely to lead to the concentration of economic power in the hands of a small number of individuals and could endanger political freedom. The public sector could also lead to centralisation, regimentation and bureaucratic control of the economic apparatus. A large cooperative sector with its accent on economic and social welfare of the community could alone provide a balancing force between the public and private sectors.

5. When the process of planning started in 1951, Indian economy was stagnant and productivity in agriculture and industry

stood at a low level. In relation to needs, the available domestic savings were meagre. In such a developing economy the need for the public, the private and the cooperative sectors to co-exist seemed inescapable. The economics of pure competition and *laisez faire* appeared singularly inadequate in the Indian situation.

Pluralism and Diffusion of Economic Power

6. Economic advance on democratic and egalitarian lines cannot be secured through a monolithic type of organisation. Political and economic power must be widely dispersed and the right to make economic and political decisions must largely be left to small communities directly affected by such decisions. A plurality of organisations with defined areas of autonomy is essential for preserving democratic values. Such decentralised units can also function as schools for the training of democratic leadership. The new system of local government (Panchayati Raj) acts through a set of inter-connected democratic institutions at the village, block and district levels. This has been dealt with in detail in the paper on Political Democracy. The institutions of Panchayati Raj are responsible for development of all sectors of rural life—social, civic and economic. For bringing about economic development, Panchayats must be supported by democratic institutions set up for specific economic purposes. Such institutions have to be cooperative in character, for 'Cooperation' with its principles of open membership and "one-man one-vote" constitutes the most vital sector of economic democracy.

Role of Cooperatives

7. Cooperation has the merit of combining freedom and opportunity for the small man with the benefits of large scale management and organisation. Through its federated structure, the cooperative movement lends to each incorporated primary unit the advantages of its pooled resources without impairing the autonomy of the parts or the flexibility of the whole. Within the cooperative sector a close inter-relationship is established between various types of cooperative organisations, like producers and consumers organisations. A direct link is thus forged between the producers and the consumers to their mutual advantage. A human element enters into the exchange of goods and services and a

reciprocal relationship gets established between the rural and urban areas.

8. In a planned economy pledged to the values of socialism and democracy, Cooperation should become progressively the principal basis of organisation in economic life, notably in agriculture and minor irrigation, small industry and processing, marketing, distribution, supplies, rural electrification, housing and construction, and the provision of essential amenities for local communities. Even in medium and large industries and in transport, an increasing range of activities can be undertaken on cooperative lines. Along with a growing public sector and a private sector which functions with responsibility to the community as a whole, the influence of Cooperation extends far beyond the particular activities organised on cooperative lines, and gives to the social structure and the national economy, balance, direction and a sense of values.

The Growth of the Indian Cooperative Movement

9. A statistical statement showing progress of the cooperative movement is enclosed (Annexure 'B'). During the decade 1950--1960 the number of cooperative societies in India has gone up from 181,000 to 332,000, their membership has gone up from 14 to 34 million, the share capital from Rs. 455 to Rs. 2,216 million and the working capital from about Rs. 2,758 to Rs. 13,121 million. The progress in quantitative terms has thus been very impressive. The progress is, however, uneven. Owing to excessive pre-occupation with credit, it has also been lop-sided to a certain extent. These imbalances are being corrected.

Cooperation in the Agricultural Sector

10. More than 80 per cent of India's population live in villages and agriculture is their principal means of livelihood. For serving cultivators, there are about 212,000 village societies in the country providing credit, supplies and other services to the farmer. About 75 per cent of villages are today served by "service cooperatives" and it is intended to cover the remaining villages in the next three years. Every cultivator in the village is expected to become a member of this institution. Short term

and medium term loans are given on the basis of a production plan which the farmer prepares with the help of the extension agency. These primary cooperatives are affiliated to central cooperative banks at the district level. The central banks in turn are federated into apex cooperative banks in each State. The Reserve Bank of India functions as a banker to the cooperative credit structure. For purposes of giving long term credit, land development banks have been set up in all the States. They advance loan against mortgage of land and float debentures against these mortgages. In order to secure better prices for the farmers and to provide a built in safeguard for recovery of cooperative dues, an active programme of setting up marketing cooperatives has been taken up. Marketing is still a field dominated by traders and marketing cooperatives have made only a limited impact in certain areas and in respect of selected crops. Processing of agricultural produce is also being progressively taken up in the cooperative sector. About 21 per cent of sugar produced in India and about 11 per cent of the cotton ginned are accounted for in the cooperative sector. Efforts to step up cooperative marketing and processing are being made.

Problems of State Partnership and State Aid

11. State aid and State partnership have been accepted in India as temporary expedients for putting the cooperative movement on a sound footing. To a certain extent financial assistance by the State goes against the principle of self-help. Such assistance will inevitably include some control which is likely to interfere with the self-regulatory character of the cooperative movement. In the conditions in India cooperatives formed by persons of very limited means were not in a position to fight un-aided against the entrenched power of the trader-*cum*-moneylender. State partnership and State aid were, therefore, considered essential. The problem that the Indian cooperative movement faces is to reconcile the principles of self-help and autonomy with the need for large scale financial assistance from the State.

Cooperatives in Urban Areas

12. Credit cooperatives in urban areas are strong institutions functioning with their own resources. They do not look up to

Government for help. Consumers' cooperatives had not been a notable success in the past. In the context of the national emergency cooperative consumer activity is being intensified in urban as well as rural areas. A special scheme has been drawn up for the purpose for setting up 200 wholesale stores and 4,000 primary stores/branches in cities and towns. Consumer stores are trying to set up a direct link with producers' cooperatives like marketing societies and also with manufacturing industries in public as well as in the private sectors.

Industrial Cooperatives

13. There are about 30,000 industrial cooperatives in India, about 11,000 of which consist of handloom weavers. These cooperatives consist largely of artisans engaged in traditional industries. Large industrial enterprises require managerial talent of a high order and it is doubtful whether a cooperative owned and controlled by the actual workers can throw up such talent. Large scale enterprises in the cooperative sector in India like cooperative sugar factories, cooperative spinning mills, cooperative dairies are run by cooperatives of the producers or the consumers as the case may be. The Board of Directors of such enterprises depend on paid management which does not differ in character from the management of industries in the private sector. The question whether large scale enterprises can be owned and managed by the workers by forming themselves into cooperatives is one on which India could profit from foreign experience.

Cooperatives for the Weaker Sections of the Community

14. Farmers with very small holdings and agricultural labourers are being encouraged to form joint cooperative farming societies. This has been considered the only method by which such farmers could avail of technological improvements and make greater investments on land. Labour contract cooperatives, forest labourers' cooperatives, poultry and piggery cooperatives, cooperatives for auto rickshaws, cooperatives of washermen, etc. are being formed with financial assistance provided by the State in order to serve the interest of the economically weaker section of the community.

Federal Cooperative Organisations

15. Federal structures have been built up for different sectors of Cooperation. In the field of credit the primary societies are affiliated to Central Cooperative Banks at the district level, which in turn federate into apex banks at the State level. There are apex marketing societies in every State which are federations of primary marketing societies. State Cooperative Unions have been set up in all the States for promotion, education and propaganda and for reflecting cooperative opinion. At the national level there are at present 4 important institutions. The National Cooperative Union of India, the National Cooperative Marketing Federation, the National Federation of Cooperative Sugar Factories and the all-India Land Mortgage Banks' Union. It is proposed to set up similar State level and national federations for other sectors like consumer cooperatives. As and when the federal structure gets stronger the regulatory powers over cooperatives will be transferred to the higher tiers of the organisations.

Elections

16. Though elections to the managing committees of cooperative institutions are free and unfettered, there is a tendency towards domination of some of the institutions by a small coterie of interested persons. Such persons usually devise various methods of circumventing the principle of "open membership". This is one of the problems to which no clear answer has so far been found. The long term remedy lies in an enlightened leadership and alert public opinion. This calls for intensive educational programmes.

Cooperative Training and Education

17. Democratic management by laymen is inherent in the cooperative form of organisation. In order to ensure that the management is not inefficient, proper training in principles, procedures and techniques becomes very important. Over the last 7 or 8 years an elaborate training programme for cooperative workers at all levels has been evolved. The training is given both in institutions and through peripatetic units. Refresher

courses, conferences and seminars also play a very important role in disseminating cooperative knowledge. There are about 560 peripatetic instructors giving training to members and office-bearers of cooperatives. For the supervisory personnel in government and the employees of cooperative institutions there are about 80 training schools all over the country. 13 of these schools are for higher personnel. Specialised courses on marketing, banking etc., are also being organised in these schools. There is one training college for senior personnel of cooperative departments and cooperative institutions. It is intended to convert this into a central institute of study and research. Cooperation is also being introduced in schools and colleges. The responsibility for cooperative training and education has been entrusted to the National Cooperative Union and the State Cooperative Unions. Financial assistance for the purpose is, however. provided by the Government.

Problems of Member-Education

18. There are about 35 million members in the various cooperatives in the counrty. The problem of providing education for members and potential members is staggering on account of the huge number involved. The existing arrangements are far from satisfactory. The medium of the radio and audio visual aids can be of limited use. One view is that the training programme should attempt to cover only the office-bearers and members of the managing committees who in turn should take the responsibility for educating the ordinary members.

Looking Ahead

19. The growth of the cooperative movement in the various sectors is still extremely uneven. A number of working groups have been set up to take stock of the present situation, and to suggest the objectives that should be attained by cooperatives in each sector of the economy. When the reports of the groups are analysed and collated it is hoped that a clearer picture of the role of the cooperative movement in a socialist pattern of society will emerge. This will form the base on which the 4th Five Year Plan for cooperative development will be drawn up.

There should be close inter-relation and cross fertilisation between the cooperatives in the different sectors of the economy. Through their higher federal organisations the cooperatives will echo the voice of the primary producers and consumers and play an important part in the formulation of national economic policies.

20. Some of the issues that arise in the implementation of the programme are as follows :

Can the cooperative sector with its accent on economic and social welfare of the community develop as a balancing force between the public and private sectors in the mixed economy? Is there any alternative to a strong cooperative sector if economic democracy is to be meaningful? If in the present stage of development of Cooperation in India, State participation and State aid to cooperatives are inevitable, how are the cooperative principles of self-help and autonomy to be reconciled with the need for large scale financial assistance from the State? Should medium and large scale industries in the cooperative sector be owned and controlled by the workers in the enterprises or by federal cooperative organisations of producers and consumers? How can monopoly of power in a few hands be prevented in the cooperative sector? What are the most effective approaches to a programme of mass education in Cooperation?

ANNEXURE 'A'

EXTRACTS FROM INDUSTRIAL POLICY RESOLUTION, 1956

In order to realise this objective, it is essential to accelerate the rate of economic growth and to speed up industrialisation and, in particular, to develop heavy industries and machine making industries, to expand the public sector, and to build up a large and growing cooperative sector. These provide the economic foundations for increasing opportunities for gainful employment and improving living standards and working conditions for the mass of the people. Equally, it is urgent, to reduce disparities in income and wealth which exist today, to prevent private monopolies and the concentration of economic power in different fields in the hands of small numbers of individuals. Accordingly, the State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities. It will also undertake State trading on an increasing scale. At the same time, as an agency for planned national development, in the context of the country's expanding economy, the private sector will have the opportunity to develop and expand. The principle of cooperation should be applied wherever possible and a steadily increasing proportion of the activities of the private sector developed along cooperative lines.

The adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid development, require that all industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector. Other industries which are essential and require investment on a scale which only the State, in present circumstances, could provide, have also to be in the public sector. The State has, therefore, to assume direct responsibility for the future development of industries over a wider area. Nevertheless, there are limiting factors which make it necessary at this stage for the State to define the field in which it will undertake sole responsibility for further development, and to make a selection of

industries in the development of which it will play a dominant role. After considering all aspects of the problem, in consultation with the Planning Commission, the Government of India have decided to classify industries into three categories, having regard to the part which the State would play in each of them. These categories will inevitably overlap to some extent and too great a rigidity might defeat the purpose in view. But the basic principles and objectives have always to be kept in view and the general directions hereafter referred to followed. It should also be remembered that it is always open to the State to undertake any type of industrial production.

In the first category will be industries the future development of which will be the exclusive responsibility of the State. The second category will consist of industries, which will be progressively State-owned and in which the State will therefore generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the State. The third category will include all the remaining industries, and their future development will, in general, be left to the initiative and enterprise of the private sector.

Industries in the first category have been listed in Schedule A of this Resolution. All new units in these industries, save where their establishment in the private sector has already been approved, will be set up only by the State. This does not preclude the expansion of the existing privately owned units, or the possibility of the State securing the cooperation of private enterprise in the establishment of new units when the national interests so require. Railways and air transport, arms and ammunition and atomic energy will, however, be developed as Central Government monopolies. Whenever cooperation with private enterprise is necessary, the State will ensure, either through majority participation in the capital or otherwise, that it has the requisite powers to guide the policy and control the operations of the undertaking.

Industries in the second category will be those listed in Schedule B. With a view to accelerating their future development, the State will increasingly establish new undertakings in these industries. At the same time private enterprise will also have

the opportunity to develop in this field, either on its own or with State participation.

All the remaining industries will fall in the third category, and it is expected that their development will be undertaken ordinarily through the initiative and enterprise of the private sector, though it will be open to the State to start any industry even in this category. It will be the policy of the State to facilitate and encourage the development of these industries in the private sector, in accordance with the programmes formulated in successive Five Year Plans, by ensuring the development of transport, power and other services, and by appropriate fiscal and other measures. The State will continue to foster institutions to provide financial aid to these industries, and special assistance will be given to enterprises organised on cooperative lines for industrial and agricultural purposes. In suitable cases, the State may also grant financial assistance to the private sector. Such assistance, especially when the amount involved is substantial, will preferably be in the form of participation in equity capital, though it may also be in part in the form of debenture capital.

Industrial undertakings in the private sector have necessarily to fit into the framework of the social and economic policy of the State and will be subject to control and regulation in terms of the Industries (Development and Regulation) Act and other relevant legislation. The Government of India, however, recognise that it would, in general, be desirable to allow such undertaking to develop with as much freedom as possible, consistent with the targets and objectives of the national plan. When there exist in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them.

The Government of India would, in this context, stress the role of cottage and village and small scale industries in the development of the national economy. In relation to some of the problems that need urgent solutions, they offer some distinct advantages. They provide immediate large scale employment; they offer a method of ensuring a more equitable distribution of the national income and they facilitate an effective mobilisation of resources of capital and skill which might otherwise remain

unutilised. Some of the problems that unplanned urbanisation tends to create will be avoided by the establishment of small centres of industrial production all over the country.

The State has been following a policy of supporting cottage and village and small scale industries by restricting the volume of production in the large scale sector, by differential taxation, or by direct subsidies. While such measures will continue to be taken, whenever necessary, the aim of the State policy will be to ensure that the decentralised sector acquires sufficient vitality to be self-supporting and its development is integrated with that of large scale industry. The State will, therefore, concentrate on measures designed to improve the competitive strength of the small scale producer. For this it is essential that the technique of production should be constantly improved and modernised, the pace of transformation being regulated so as to avoid, as far as possible, technological unemployment. Lack of technical and financial assistance, of suitable working accommodation and inadequacy of facilities for repair and maintenance are among the serious handicaps of small scale producers. A start has been made with the establishment of industrial estates and rural community workshops to make good these deficiencies. The extension of rural electrification and the availability of power at prices which the workers can afford will also be of considerable help. Many of the activities relating to small scale production will be greatly helped by the organisation of industrial cooperatives. Such cooperatives should be encouraged in every way and the State should give constant attention to the development of cottage and village and small scale industry.

SCHEDULE A

1. Arms and ammunition and allied items of defence equipment.
2. Atomic energy.
3. Iron and steel.
4. Heavy castings and forgings of iron and steel.
5. Heavy plant and machinery required for iron and steel production, for mining, for machine tool manufacture and for such other basic industries as may be specified by the Central Government.
6. Heavy electrical plant including large hydraulic and steam turbines.
7. Coal and lignite.
8. Mineral oils.
9. Mining of iron ore, manganese ore, chrome ore, gypsum, sulphur, gold and diamond.
10. Mining and processing of copper, lead, zinc, tin, molybdenum and wolfram.
11. Minerals specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953.
12. Aircraft.
13. Air transport.
14. Railway transport.
15. Shipbuilding.
16. Telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets).
17. Generation and distribution of electricity.

SCHEDULE B

1. All other minerals except "minor minerals" as defined in Section 3 of the Minerals Concession Rules, 1949.
2. Aluminium and other non-ferrous metals not included in Schedule 'A'.
3. Machine tools.
4. Ferro alloys and tool steels.
5. Basic and intermediate products required by chemical industries such as the manufacture of drugs, dyestuffs and plastics.
6. Antibiotics and other essential drugs.
7. Fertilizers.
8. Synthetic rubber.
9. Carbonisation of coal.
10. Chemical pulp.
11. Road transport.
12. Sea transport.

ANNEXURE 'B'

PROGRESS OF COOPERATIVES IN INDIA

I. *All types of cooperatives*

Item	Beginning of I Plan (1950-51)	Beginning of II Plan (1955-56)	Beginning of III Plan (1960-61)
(1)	(2)	(3)	(4)
1. No. of societies (thousands) ..	181	240	332
2. Membership of primary societies (millions)	14	18	34
3. Share capital (Rs. millions)	455	772	2,216
4. Working capital (Rs. millions) ..	2,758	4,688	13,121

II. *Primary Agricultural Credit Cooperatives*

Item	Beginning of I Plan (1950-51)	Beginning of II Plan (1955-56)	Beginning of III Plan (1960-61)	1961-62	Beginning of IV Plan (1965-66) Targets
(1)	(2)	(3)	(4)	(5)	(6)
A. *Short and medium term credit*					
1. No. of societies (thousands)	105	160	212	215	230
2. Percentage villages covered	N.A.	N.A.	75	79	100
3. Membership (millions) ..	4·41	7·79	17·04	19·56	37·00
4. Percentage agricultural population covered ..	8	15	33	34	60
5. Share capital (Rs. millions)	76·1	168·0	577·5	686·1	1,180·0
6. Loans advanced (Rs. millions) ..	229·0	496·2	2,027·5	2,280·9	5,300·0
B. *Long-term credit*					
1. No. of primary banks ..	286	302	463	535	636
2. Loans outstanding with individuals (Rs. millions) ..	65·9	134·7	377·4	494·6	1,500·0

III. *Marketing & Sugar Cooperatives*

Item	Beginning of II Plan (1955-56)	Beginning of III Plan (1960-61)	1961-62	Beginning of IV Plan (1965-66) (Targets)
(1)	(2)	(3)	(4)	(5)
1. Value of agricultural produce sold by cooperatives (Rs. millions)	N.A.	1,738	1,795	3,611
2. No. of sugar factories under production (number) ..	3	30	41*	56
3. Sugar produced (thousand metric tons)	30	450	480	880
4. Percentage of national production ..	1·4	14·8	21·6	25

IV. *Other types of Cooperatives*

Item	Beginning of III Plan (1960-61)	1961-62
(1)	(2)	(3)
A. Labour construction		
1. No. of societies	2,491	2,872
2. Membership (thousands)	186	202
3. Value of works executed (Rs. millions) ..	33	50
B. Primary Weavers		
1. Number	11,803	11,584
2. Membership (thousands)	1,311	1,215
3. Value of sales (Rs. millions)	369	406
C. Other Industrial		
1. Number	21,288	20,353
2. Membership (thousands)	1,217	919
3. Value of sales (Rs. millions)	179	143

NOTE: Figures for 1961-62 are provisional.
*Relates to 1962-63 season.

COMMUNITY DEVELOPMENT —SOCIAL DEMOCRACY

Social Democracy in the Constitution

The ideal of social democracy—a casteless and classless society—is embodied in the Preamble to the Constitution. The Preamble reads as follows :—

> "We, the people of India, having solemnly resolved to constitute India into a Sovereign Democratic Republic and to secure to all its citizens : Justice, social, economic and political; liberty of thought, expression, belief, faith and worship; equality of status and of opportunity; and to promote among them all Fraternity assuring the dignity of the individual and the unity of the Nation; ......"

India's journey towards this ideal is a fascinating chapter in the world's social and economic history.

The Traditional Society

2. India's traditional or pre-industrial society though marked by economic stagnation had elements of social stability. The society was divided into various groups, principally caste groups implying rigid status and unequal privileges, rights and opportunities. The caste society relied for its sustenance on three institutions. The caste council held together each caste and prevented its assimilation with the others. The traditional village council, maintained a code of conduct between the castes *inter se*. The head of the joint family wielded complete authority over its members and regulated the caste life from within.

While the caste system and joint family helped to maintain the solidarity of the closed community life in the village, they have acted as powerful dis-incentive to social change. This was primarily due to a social psychology which accompanied the system in the shape of the idealisation of poverty and the philosophy of contentment based on the doctrine of 'karma'.

The caste system in India encountered many shocks in the past. Buddhism and Sikhism tried to break down the barriers of caste and though they succeeded to some extent for a time, they had to accept defeat because caste was a necessity for economic and social life, based as it was on subsistence agriculture and hereditary handicrafts. The industrial revolution passed by, as the foreign ruler developed a vested interest in the continuation of India's social *status quo* and the prolongation of the traditional society. The community dug deeper into the old way of life. However, despite the facade of peace and quiet inner conflicts smouldered, but there was no forum in which the organised voice of the people could find utterance.

After Independence

3. During the national movement for freedom, and in the wake of Independence objective conditions for the disappearance of the caste system are slowly emerging. The advance towards a modern society based on rationality, science and technology must be founded on political and economic democracy, on planning and perspective thinking and on special programmes designed for the growth of Man and the Community.

One of the Directive Principles of the Constitution lays down :

> "The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life. The State shall direct its policy in such a manner as to secure the right of all men and women to an adequate means of livelihood, equal pay for equal work and, within the limits of its economic capacity and development, to make effective provision for securing the right to work, education and public assistance in the cases of undeserved want. The State is also required to secure the workers humane conditions of work, a decent standard of living, full enjoyment of leisure and social and cultural opportunities."

These general principles have been given more precise directions in the Five Year Plans.

In India's programme of development, education is rated as one of the important fatcors for promoting social justice and equal opportunities. The object is to make education free, universal and compulsory by the end of the Third Five Year Plan for the age group 6—11. Facilities for further education ranging from ordinary school instruction to full time courses at colleges; from adult evening classes to vocational and advanced technological training are being provided.

Far reaching legislative measures have been introduced to bring about economic and social reforms. The princely order and the zamindari system under which a few owners of land exploited the large mass of landless have been abolished. Land reforms have helped in providing security to the tillers of the soil. Through legislation and special administrative orders significant changes have also been made to uproot untouchability, prevent discrimination on the basis of religion, caste or creed, and to stop social evils like payment of dowry, etc.

A variety of welfare services have also been introduced. These services are directed towards special care and protection of weaker sections and removal of discrimination and imbalance in the society. Social welfare programmes operate by aiding individuals, groups, and communities through the provision of material help, institutional care and other forms of assistance. In addition, safeguards, reservations and special programmes are provided to protect the scheduled tribes, scheduled castes, and backward classes from social and economic injustice and other forms of exploitation. There are special programmes for women and children. In these programmes voluntary organisations have been encouraged to play a prominent role.

Community Development Programme

4. More than through legislative and social welfare measures, social democracy can be meaningful to the 82 per cent of India's population living in rural areas, only if its interlinked economic and social problems are tackled in an integrated way. This is the approach of the Community Development programme which has become the base of action in the rural sector for this purpose. Planning for the development and betterment of thousands of rural

communities in villages is a difficult process. Ultimately it means making the people do things for themselves. The programme has, therefore, placed emphasis on a multi-purpose approach, on area development, on coordinated administration, and on the development of the individual and the community.

Objectives of Community Development

5. On the 2nd October, 1952, the programme of Community Development was initiated. From the beginning the programme emphasised three aspects. The blocks are intended to be areas of intensive development, where agencies of Government work as a team in programmes which are planned and coordinated. Self-help and cooperation are the principles on which the movement rests. The movement should bring within its scope all rural families. While the main emphasis of the programme has been agricultural production including related fields like Animal Husbandry, Dairying, Irrigation, Pisciculture, etc., it was realised that in the prevailing conditions of the rural areas, no substantial economic development can be achieved without transforming the people's social outlook. Thus while on the physical side, complete integration between the activities of development departments was aimed at, on the social side the inter-relation between social and economic activities was recognised. The programme, therefore, had to have both economic and social content. Thus it covers agriculture, animal husbandry, minor irrigation, rural industries, provision of basic amenities like drinking water, village primary schools, communications, social education and promotion of community organisations.

Administrative organisation and phasing

6. The Community Development programme envisaged the creation of a new unit of planning and development called the "Community Development Block". It comprises on an average 100 villages covering an area of about 250 sq. miles with a population of nearly 80,000 (Appendix 'A' and 'B'). The country has been delimited into nearly 5,200 blocks and the extension of the programme from the first series of 55 projects in 1952 has been according to a phased programme spread over 11 years keeping in view the availability of funds and trained personnel. Today the entire rural area has been covered.

Rural development in India has grown round the assumption that a community development block will constitute a primary unit for planning and execution of development programmes. At the block level, the generalist Block Development Officer, assisted by the technical experts executes the programmes approved by the Panchayat Samiti. The Block Team is assisted by the Village Level Worker—who is a multi-purpose worker trained primarily in agriculture and is incharge of 10 villages. At the district level, similar coordination is provided by the Collector, who acts on the advice and direction of the Zila Parishad. At the State level is the functionary called the Development Commissioner. He is a senior administrative officer of wide experience and knowledge. He coordinates the policies and programmes of different State Departments and reports to the State Development Committee headed by the Chief Minister on matters relating to policy and coordination. There is both vertical and horizontal consultation and coordination which is a new feature in the field of democratic public administration in India.

Programme funds

7. In each Block, ten years of intensive work in two periods of five years each is envisaged with a nucleus provision of Rs. 1.2 million and Rs. 0.5 million for the two stages respectively. To these are added the resources raised by the community and additional funds made available out of other programmes of rural development which form part of the national Five Year Plans and are executed at and below the block level. A statement (Appendix 'C') shows the expenditure in terms of money during the first two Plans and the projected figures for the Thrid Five Year Plan together with the performance under selected items of activities during the last twelve years. For areas with large tribal population, a special intensive programme has been devised. Such blocks are called Tribal Development Blocks for which additional finances and specially trained staff are provided (Appendix 'D').

People's participation

8. Community Development for successful working implies the support and participation of the people. People have contributed

to the programme in various ways—labour, land, material and cash donations. These contributions have been substantial. During the First Plan, against the Government expenditure of Rs. 462 millions, the people's contribution amounted to Rs. 251 millions. During the Second Plan, as against a total Government expenditure of Rs. 1,889 millions, people's contribution was Rs. 771 millions. This aspect has been an integral part of the programme from the very beginning. Advisory bodies of the local people set up during the earlier stages were subsequently replaced by the Block Development Committees for promoting people's participation in the programme. These in turn have been replaced by the Panchayati Raj institutions which have been described in another paper. The Community Development Programme is thus slowly providing an organised forum for the free voice of rural India being felt in the process of decision making at higher levels.

Training of personnel

9. The recruitment and training of the large number of workers required for the programme presented serious problems. To overcome the lack of experience on personnel, an elaborate programme of training has been introduced and developed during the years. The training is of various types—institutional, camps, seminars and in-service—and includes job training, orientation training and refresher training. The training arrangements covers both official cadres and non-officials. Details of the different categories of persons trained so far are in the statement (Appendix 'E').

Evaluation and assessment

10. A programme of this magnitude needs continuous review and evaluation to measure its impact and to identify deficiencies for timely correctives. Evaluation is conceived as comprising several aspects. The most important from the operational point of view is administrative assessment of the programme to locate bottlenecks in supplies and services, organisational inadequacies, etc. The second aspect is periodical review of trends of progress in terms of targets, both over space and time. The third aspect relates to identification of the factors and methods contributing to the growth of the programme and those which are not. Lastly the social and economic impact of the programme is assessed in

terms of both tangible and intangible benefits. Arrangements exist to attend to all these aspects of evaluation. A rigorous schedule of inspection is prescribed for the supervisory staff for an administrative assessment of the programme. An elaborate machinery of administrative intelligence has been set up as a part of the Block agency to carry out periodical statistical appraisal of progress. The Programme Evaluation Organization, an independent body of the Planning Commission makes independent studies of the impact of the programmes while the Training Centres of the Ministry and the Universities undertake action-oriented research to improve the content and quality of the programme. A detailed note on Evaluation and Research as programme aids is given in the annexure.

Looking ahead

11. Community Development Programme with its nucleus budget has made but a beginning. It must have an impact on rural poverty, secure employment to every able-bodied person and utilise all latent resources in the village. Intensive development and diversification of rural economy have to be the major concern in the years to come. Agricultural production will remain in the forefront supplemented increasingly by rural industrialisation. Panchayati Raj must develop into a system of self-reliant units of local government organically connected from the village to Centre. Associate organisations of youth and women must become the action arm of Panchayati Raj. The voluntary phase built round the Village Volunteer Force becomes the logical next step. Man becomes the focus. With rising standards of living, expanding opportunities for participation in the political processes, and an increasing sense of social responsibility, Community Development and social democracy will become co-terminus.

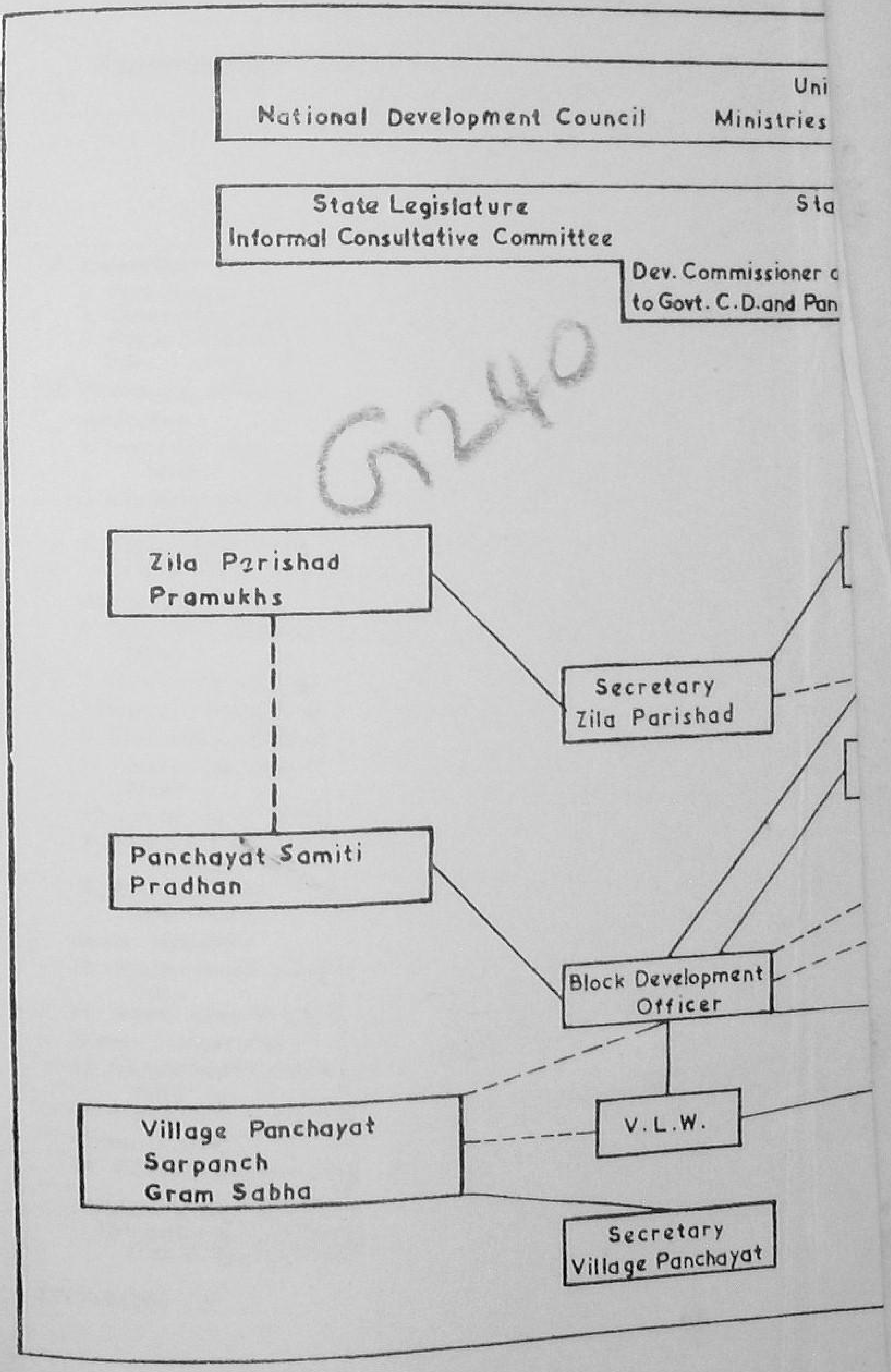
Crisis of transition

12. Political and economic democracy constitute the means to the attainment of social democracy. To expect, however, that a traditional society once exposed to the impact of education and schemes of social welfare and provided with a set of social and economic institutions, will automatically value the goals of democratic life, is to ignore the lessons of history. History indicates that the traditional society has deep and hardy roots. Every attempt

Appendix B.

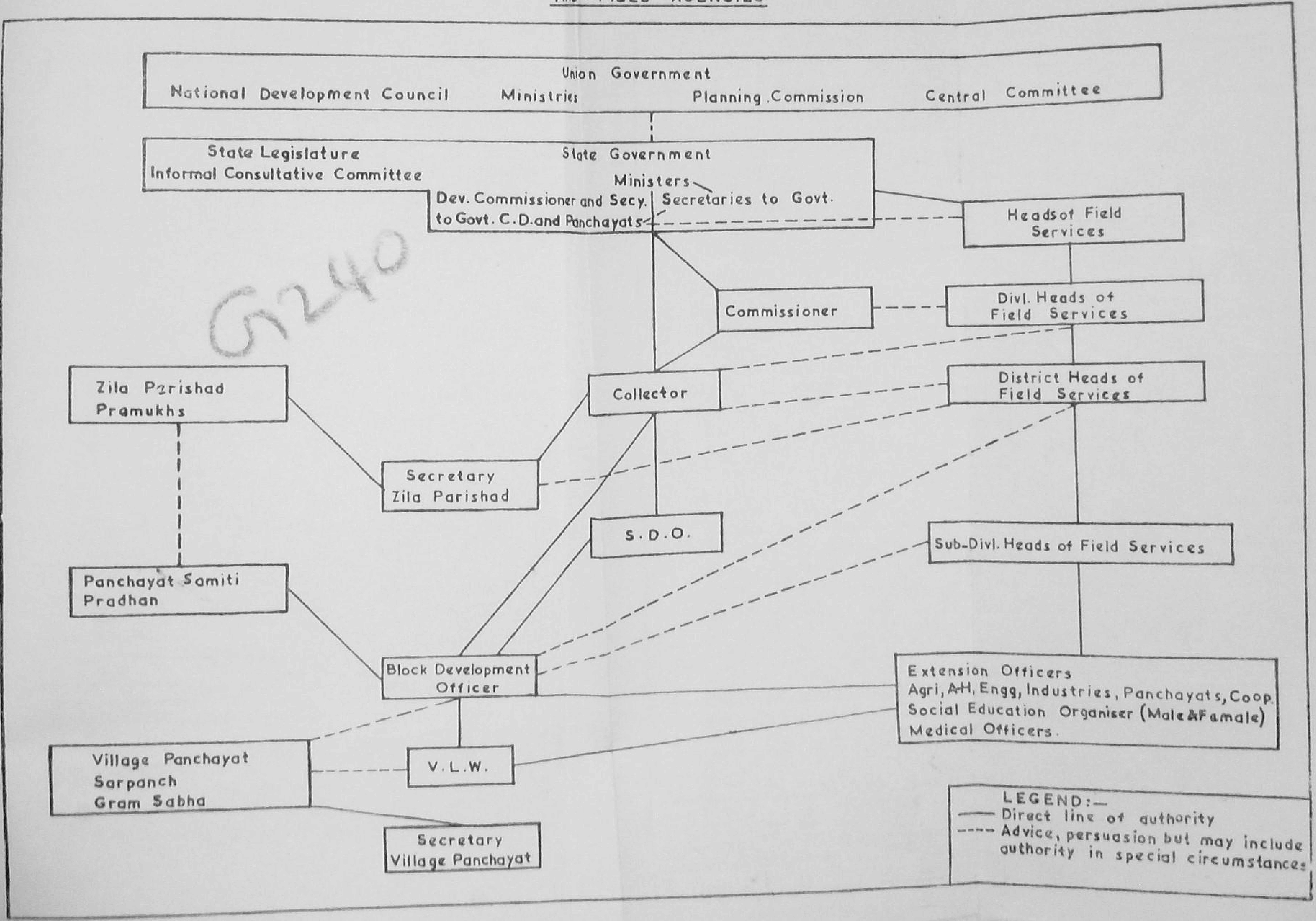
CHART INDICATING RELATIONSHI

AND



Appendix B.

CHART INDICATING RELATIONSHIP BETWEEN GOVERNMENT, LOCAL AUTHORITIES AND FIELD AGENCIES



APPENDIX 'C'

Expenditure on the Community Development Programme and some important programme achievements

	During First Plan	During Second Plan	During Third Plan (Two years 61-63)
I. *Expenditure* (Rs. Million)			
1. Plan outlay	965	2,013	1,049
2. Government expenditure	462	1,894	1,075
3. People's contribution value ..	251	773	199
Total (2 to 3)	713	2,667	1,274
II. *Programme achievements* :			
Agriculture			
1. Improved seeds distributed ('000 tons)	170	1,150	605
2. Chemical fertilizers distributed ('000 tons)	341	2,556	1,821
3. Agricultural demonstrations held ('000 Nos.)	1,141	8,134	2,262
Animal Husbandry			
4. Improved animals supplied ('000 Nos.)	12	83	50
5. Improved birds supplied ('000 Nos.)	193	1,176	993
Village & Small Industries			
6. Brick Kilns started ('000 Nos.) ..	N.A.	24*	35
7. Sewing machines distributed ('000 Nos.)	N.A.	13*	19
Health & Rural Sanitation			
8. Drinking water wells constructed ('000 Nos.)	40	183	68
9. Drinking water wells renovated ('000 Nos.)	60	260	105
Social Education			
10. Adults education centres started ('000 Nos.)	41	155	92
11. Adults made literate (Lakh Nos.) ..	10	43	17
Women's Programme			
12. Mahila Samiti/mandals started ('000 Nos.)	N.A.	51	40
13. Membership in above ('000 Nos.) ..	N.A.	874	751
Communication			
14. Village roads constructed ('000 miles)	33	92	42

*Relates to two years 1959-60 and 1960-61.

The outlay on C.D. Programme (including panchayats) during the Third Plan is Rs. 3,217 millions.

APPENDIX 'D'

Schematic Budget of Community Development Programme.*

(Rs. '000)

Heads	Stage I Blocks	Stage II Blocks	Tribal Development Blocks: Stage I	Tribal Development Blocks: Stage II
(1)	(2)	(3)	(4)	(5)
I. Block Headquarters ..	**315**	**85**	**365**	**110**
(a) Personnel	260	70	260	70
(b) Transport	15	15	65	40
(c) Office equipment, furniture etc.	15	—	15	—
(d) Project Office, seed store, Information centre etc.	25	—	25	—
II. Agriculture Development .. (including Animal Husbandry & Fisheries, Minor Irrigation & land improvement)	**450**	**135**	**935**	**425**
III. Rural Arts Crafts & Industries	**65**	**50**		
IV. Amenities	**430**	**230**	**900**	**465**
(a) Health & Rural Sanitation	115	50		
(b) Education	60	50		
(c) Social Education (including Audio-visual Aids & women, Youth and Children's Prog.) : ..	70	50	365	210
(d) Communications ..	85	50	285	150
(e) Housing (project & Rural)	100	30**	250	105
Less Rs. 60,000 from Groups I & IV items in stage I Block for augmentation of Group II	(—)60			
TOTAL ..	1,200	500	2,200***	1,000***

*The Budget referred to here is only a nucleus one. It is supplemented in each Block by Budgets of respective Departments under the normal programmes of maintenance and development in the Five Year Plans.

**Rural housing only.

***These figures are inclusive of a provision of rupees 10 lakhs and 5 lakhs in stage I and stage II respectively from the Ministry of Home Affairs which has constitutional responsibility for tribal welfare.

NOTES: 1. An expenditure of Rupees 18,800 (Rs. 16,800 on Block quarters and Rs, 2,000 for agriculture demonstration etc.) has been allowed during the pre-extension stage which will be adjusted against the budget provision for the stage I period after the Pre-extension Block is converted into Stage I.

2. With effect from December 1962 it has been decided to increase the amount for agricultural development by Rs. 1 lakh for new stage I blocks by effecting savings under the amenities and or Block Headquarters.

Pattern of Block level Extension staff

Category	*Number*
1. Block Development Officer	1
2. Extension Officer (Agriculture)	1
3. Extension Officer (Animal Husbandry)	1
4. Extension Officer (Cooperation)	1
5. Extension Officer (Panchayats)	1
6. Extension Officer (Rural Industries)	1
7. Overseer	1
8. Social Education Organiser	1
9. Mukhya Sevika (Woman Social Education Organiser)	1
10. Gram Sevaks (Village Level Workers)	10
11. Gram Sevikas (Women Village Level Workers)	2
12. Progress Assistant	1
13. Medical Officer	1
14. Compounder	1
15 Sanitary Inspector	1
16. Lady Health Visitor	1
17. Midwives	4

APPENDIX 'E'

Training facilities for the service and non-service personnel engaged in the Community Development Programme

(Position as on 31-8-1963)

Category of Staff	Number of Training Centres	Period of Training	Annual Capacity	Number so far trained
(1)	(2)	(3)	(4)	(5)
1. (a) Key administrative and technical staff of Central Ministries and State Governments. (b) Members of Parliament and Legislature .. (c) Pramukhs and Pradhans of Zila Parishads/Panchayat Samitis.	1	4 weeks	200	1,109
2. District Panchayat Officer 3. Sub-Divisional Officers	1*	1½ months	120	247
4. Block Development Officer				33
5. Training of B. D. Os, E. O. (Agri.), S.E.Os. & Mukhya Sevikas in tribal literature and culture.	10	10 weeks	1,800	9,917
6. Social Education Organiser.	1	4 months	100	80
7. Mukhya Sevika (Lady Social Education Organiser)	8	5 months	340	3,769
8. Extension Officer (Industries).	10	9 months	410	2,444
9. Extension Officer (cooperation).	7	12 months	900	2,987
10. Gram Sevak (Village Level Worker) ..	12	36 weeks	900	4,315
11. Gram Sevika (Lady Village Level Worker) ..	99	2 years	4,950	56,755
12. Health Personnel ..	47	1 year	1,835	5,771
13. B. D. C. members, Panchayat Samiti members, Presidents and Vice Presidents of Village Panchayats.	3	8 weeks	630	3,251
14. Village leaders	66	1 week	51,000	N.A.
	—	3 days	5·1	5·1 million.
15. Higher training for village leaders	99	10-15 days	64,000	—
16. Training in Panchayati Raj Training Centres ..	1	3 months	105	138

*D. P. O's Course converted to S. D. O's course w.e.f. 8-7-1963.

ANNEXURE

COMMUNITY DEVELOPMENT IN INDIA

EVALUATION AND RESEARCH AS PROGRAMME AIDS

Objectives and approach

The object of the Community Development programme in India is to initiate a process of transformation of the economic and social life of the villages. This is being achieved by:

(i) creation of a National Extension Service as a permanent agency for bringing technical services down to the village;

(ii) promotion of Community Development as the method for achieving coordinated working of Government agencies and people's institutions;

(iii) development of people's initiative, their competence and resources through their own institutions; and

(iv) a minimum programme of area development of a multipurpose character throughout the country.

The programme is implemented in units of Blocks each comprising usually 100 villages and a population of 80 thousand. The Extension agency in the Block consists of 7 to 8 specialists in the field of agriculture, animal husbandry, village industries, cooperation, social education etc. They work under the leadership of a generalist administrator known as the Block Development Officer. They are assisted by a number of multi-purpose Village Level Workers, one each for a group of 10 villages. A nucleus provision of funds is made to meet the expenditure on staff and on essential programmes of area development. These funds are supplemented by funds from various development departments and people's own contribution in cash and labour.

Coverage

2. The entire country has been divided into 5,220 Blocks. Of these 5,180 Blocks are now functioning. They cover 99 per

cent of the country's rural population. The Extension agency consists of 40 thousand Block level specialists and 50 thousand Village Level Workers. A significant development of the programme has been the setting up of inter-connected democratic and popular units of local government at the village, Block and districts* levels (known as Panchayati Raj), charged with the responsibility for bringing about rapid development in their respective areas. The village cooperatives which are the counterpart of the village Panchayats in the economic sector, play an important supporting role in agricultural production, processing and marketing. As an adjunct to the Extension agency and the Panchayati Raj institutions, a number of associate organisations representing diverse interests actively participate in nation building programmes.

Role of evaluation

3. Evaluation is an essential aid to policy and programme improvement in a countrywide programme of this type. Evaluation should firstly help to analyse the techniques and procedures through which various development activities are pursued and indicate directions in which improvement may be sought. It should, secondly, measure the impact of the programme in terms of the changes brought about—the tangible as well as the intangible. The tangible changes are capable of quantitative measurement through usual growth indicators, *e.g.*, increased production, larger incomes, increased employment and better amenities. The intangible changes are more difficult to measure and can be evaluated only in qualitative terms, *e.g.* improvements in skill, knowledge and attitudes of people.

Aspects of evaluation

4. Evaluation is, thus, conceived as comprising several aspects, each serving a specific purpose and requiring a separate approach.

The first, and by far the most important stage from the operational point of view is an administrative assessment of the processes of implementing the programme. This is required to

*a district is the administrative unit above the Block. It has an average population of 1·3 million.

locate the bottlenecks in supplies and services, organisational deficiencies, lack of understanding and inadequate communication among the hierarchies of the implementing agency.

The second is periodical review of the physical progress in terms of targets. This enables a self evaluation by the implementing agency at various levels of the extent to which it has been able to fulfil the tasks it has set itself. It also helps a comparative study of the trends of progress both over space and in time.

The third relates to identification of the factors and methods which have contributed to the growth of the programme and those which have not, and indication of the direction in which improvements should be sought.

The last stage of evaluation is measurement of the social and economic impact of the programme in terms of both tangible and intangible benefits.

Techniques of evaluation

5. The techniques followed have obviously to be different for each of the above aspects of evaluation. The first two fall within the purview of programme administration which has to provide for systematic supervision over the execution of the programme as well as for regular flow of administrative intelligence for periodical appraisal of progress. The third aspect of evaluation *viz.*, identification of the factors contributing to the success and failure of the programme has necessarily to be based upon detailed and objective studies by an independent body of observers. These should be operational research studies extending over all stages of programme planning and implementation. The studies require a team approach with experts of several disciplines working in close association with the programme. The last stage of assessing the impact of the programme requires detailed socio-economic surveys particularly for estimating the quantitative end-results of the programme. The more intangible effects of the programme such as growth of social consciousness and changes in attitudes, on the other hand, require special social research investigations. Study of public reactions to the programme through press and parliament are also important in this context.

Administrative supervision

6. A rigorous schedule of inspection is prescribed for the supervisory staff for administrative assessment of the programme. Great importance is attached, in particular, to inspections by persons of high standing both at the State and the all-India levels. The Union Minister, Deputy Minister and the senior officers of the Ministry of Community Development, for example, devote a substantial part of their time every month to visits to the Blocks and every State is covered 2 to 3 times during a year by such field visits. Each visit to a State is preceded by detailed study of the trends of progress in the State, the shortfalls and deficiencies in the programme. A list of points requiring discussion with the State Government is prepared in advance. The visiting officer, during the course of his tour, meets the Block and district staff incharge of the programme as well as representatives of people's institutions. Based on the field study of the programme he makes a number of suggestions which are discussed at a high-level meeting of the State Minister incharge and the heads of various development departments and an agreed plan of action is arrived at. The Ministry thereafter makes a systematic follow-up of the various decisions until satisfactory action is completed.

Periodical appraisal of progress

7. High-level administrative supervision over the programme is necessarily limited. A periodical appraisal of progress can, therefore, be best secured through systematic administrative intelligence. Each Block is required for this purpose to prepare detailed quarterly progress reports of its activities which are reviewed by the Panchayat Samiti (the local government unit of the Block). The Block progress reports are consolidated at the district and state levels and the consolidated reviews are subjected to critical analysis at each level. The targets and work programmes are revised, if necessary, in the light of the review.

The preparation and interpretation of progress reports is in the hands of an elaborate statistical machinery created in the wake of the C. D. programme. There is a statistically trained Progress Assistant in each Block exclusively meant for administrative intelligence. He works directly under the technical control of the District Statistical Officer and the State Statistical Bureau.

Apart from ensuring uniform standards in the procedure of collection and compilation of data the statistical agency also undertakes sample verification of the data reported by the field staff. The periodical progress reports are supplemented by a number of sample studies undertaken by the statistical agency on its own to provide greater insight into the trends of progress.

Independent Evaluation

8. Administrative intelligence, however, helps only in the appraisal of progress of the operational aspects of the programme based on data compiled by the implementing agency. An independent evaluation is, therefore, provided for through the Programme Evaluation Organisation (P.E.O.) of the Planning Commission. The P.E.O. functions in close association with the Ministry of Community Development and the State Governments. It is headed by an Evaluation Board of top level economists and sociologists and employs a large body of research personnel and field investigators.

The P.E.O. makes a special study of one or more selected fields of the programme every year. The study reports give factual analysis of progress, assess the relative strength and weakness of the programme, and make suggestions for more effective action in future. The P.E.O. also undertakes, in a few sample Blocks, bench mark and repeat socio-economic surveys to measure the impact of the programme on production, employment, income, etc. An attempt is made to assess people's participation and attitudes by studying the working of people's institutions, adoption or rejection of practices, etc.

The findings of the P.E.O. are discussed widely. They are reviewed by the Annual Conference on Community Development and remedial action taken on them wherever possible. The reports of the P.E.O. have highlighted difficulties and problems. Studies of greater depth requiring an inter-disciplinary team approach have to be developed to find answers for these problems.

In addition to the studies of the P.E.O., *ad hoc* evaluation of the programme is conducted from time to time by special teams appointed by the Central and State Governments. These studies

based largely on observations of men of experience and judgment, have proved valuable in improving the content of the C. D. programme as well as the pattern of administration.

Case Studies

Action-oriented research is one way of tackling the difficult operational problems of the programme. This task can neither be undertaken by the implementing agency engrossed in day-to-day work, nor by an evaluation agency which, however competent, cannot acquire adequate knowledge and experience of the programme. To meet this situation, case studies on pressing field problems are organised with the help of the Community Development Training Centres which directly function under the Central Ministry. The Training Centres have on their staff specialists on different subjects. They possess intimate knowledge of the programme and its problems, being in constant contact with trainees drawn from the field agency. Every Training Centre is also required to take up, as a regular part of its work, an intensive programme of development in at least 5 villages in the proximity of the Centre so that both the staff and the trainees acquire first hand knowledge of the field situations and clear understanding of the problems. The results of the few case studies that have been completed show great promise of the effectiveness of this approach.

Basic Research

9. Basic research in directed social change is encouraged as a means for improving the techniques and tools of Community Development. The National Institute on Community Development has a special wing for research with experts in sociology, public administration and rural economics. The Institute guides the research projects undertaken by the various Training Centres and takes up limited studies on its own. Most of the basic research, however, is entrusted to carefully selected university departments under the general guidance of the Institute. Sociology and rural economics faculties of several universities have now on hand research projects on a variety of problems, *e.g.*, social change, community integration, processes of economic growth and working of Panchayati Raj.

Press Evaluation

10. Continual comments on the programme in the Press and discussions in the Central and State Legislatures provide concurrent appraisal of great value. The wide interest taken in the programme and the constructive criticism offered in these forums reflect a measure of enlightened popular participation in the assessment of the programme.

Conclusion

11. The Indian experiment in Community Development has been unique. It has had to start and grow without much guidance or help from elsewhere. In a trial and error approach, evaluation has necessarily to play a crucial role to determine the right course. Evaluation has fulfilled this role to some extent but it has to grow both in scope and depth to be an effective tool for improving the techniques of Community Development.

12. Some of the issues which the evaluation programme is facing today are summarised below :

(i) Is it necessary to have an over-all evaluation of the programme every year ? Can an annual evaluation do better than bring to light operational lapses and problems, already familiar to the implementing agency ?

(ii) Should not concurrent evaluation be confined at a time to one or two selected fields with emphasis on intensive study with the help of an inter-disciplinary team of experts, so that operationally useful recommendations may emerge ? A comprehensive impact-measurement survey can then be attempted once in five years.

(iii) How can an independent evaluation agency maintain close association with the implementing agency, keep pace with the fast changing administrative and organisational patterns and policies and acquire a thorough comprehension of the operational difficulties and problems ?

(iv) How can the implementing agency make the fullest use of the findings of evaluations for purposes of programme improvement on a continuing basis ?

(v) Should an evaluation agency undertake a large-scale programme of collection of statistical information or should this be left to the existing statistical machinery of the country ? Will not the evaluation agency be able to serve better if it concentrates its attention on limited observational studies supplemented by the analysis of data furnished by the statistical agency ?

(vi) What should be the approaches to the evaluation of the intangible effects of the programme ?

(vii) What should be the approaches to a programme of applied social research as can identify effective methods of extension ?

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